

## FDD-PST

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**From:** Johnnie Naylor [johnnie.naylor@mail.state.ar.us]  
**Sent:** Sunday, April 30, 2000 2:20 PM  
**To:** 'fdd-pst@fns.usda.gov'  
**Subject:** Comments on USDA proposal for Change

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**COMMENTS REGARDING  
USDA's BUSINESS PROCESS RE-ENGINEERING (BPR)**

1. **Expand the use of long-term contracts**  
Use of long-term contracts should save dollars, provided they are properly bid with a set price associated with the contract. This way the state/FS would know the cost of the product for the entire term of the contract and it would not change with each D.O. as it does now.
2. **Test best-value contracting**  
We agree with this principle as long as it is practiced fairly across the board. We have previously experienced times when the product does not meet specs and nothing was done because the company was a minority owned even though the products were unacceptable and unusable.
3. **Update product specifications**  
Updating specifications to meet the changing needs and desires of the customers is a good idea. However just making changes to meet industries needs may not necessarily be a good idea.
4. **Allow vendors to use commercial labels**  
This will probably create more problems than solutions. There will be no way to track products for accountable at any level.  
If you want to make Commodities more like commercial items start first with requiring UPC labels on all products, so that we will be more in line with commercial business now. It will assist in inventory control and accountable that we currently do not have. Commercial distributors/warehouses that currently track items using UPC codes have to make up a manual system to track commodities now.
5. **Move toward national umbrella contracts with processors**  
If proper groundwork is completed prior to implementing this it can be beneficial to some smaller state particularly.
6. **Expand full substitutability of commodity product**  
Without additional information we cannot agree with this. Again this will create more problems than it will solve.
7. **Work with states to test the seamless commodity distribution concept.**

The current ordering system works now, it's the delivery that doesn't. Even if a pilot is successful in some area that does not necessarily mean it will work everywhere. Also all these concepts seem to involve distributors as the key player in the whole thing. It appears no one has talked to all the distributors to see if they want to participate in any of this. In the real world they appear to be very much opposed to the commodity program as it is a competitor. Why do you want to make them a key player when the majority are against the program and are currently getting out of the school business.

8. **Facilitate the processing of commodities with limited demand**  
Commodities could be given to other programs such as charitable institutions and summer camps. These foods could be used beneficially when they are currently wasted in school programs many times.
9. **Develop written hold and recall procedures**  
We agree with this.

10. **Reduce the duration of product holds at the school level**  
**Agree with this.**
11. **Publish commodity recall reimbursement procedures**  
**Agree with this.**
12. **Provide computer connectivity to the school district level**  
**Why don't you develop a system with the states that works first, then see if further steps are necessary. Schools in our state have computers, however food service does not necessarily have access to them currently. Again a system that works in one state may or may not be the best system for another state. The time and cost involved in this type of computer connectivity to the school level could be much better spent in other areas.**
13. **Provide a single USDA point of contact**  
**We agree with this concept. You mention adding thing to your Web site, many schools do not have access to this site now . So who is this helping by adding information that is unavailable.**
14. **Work with states and partners to pilot-test improvements**  
**Again pilots are fine if properly done. Also success in one state does not mean it will work everywhere. That's probably why there are 50 different distributions now.**
15. **Other Improvements: Facilitate the use of 4/11 funds for commodity purchases; encourage cooperatives; and relax truckload requirements**  
**Without knowing what they are we cannot comment.**
16. **Streamline paperwork and reporting requirements**  
**We agree this should be done. I have been trying to find out for several years why we continue to complete a quarterly processing report to the Regional Office. It's obsolete when done and of no benefit to the Region that we can determine**